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Management Bulletin # 9

Date: July 3, 2003

To: Owners/Management Agents

From: Sharon Livingston
Budget Supervisor

Re: New Processing Guidelines Required to Claim Special Claims

Effective September 1, 2003 Iowa Finance Authority Section 8, Contract Administration will adhere to and enforce the 4350.3 REV-1 Chapter 9, paragraph 9-14 Special Claims guidelines published May 2003.

Please note vacancy notification forms are no longer required to be submitted to Iowa Finance Authority.

Special Claims for unpaid tenant rent, tenant damages and vacancy loss must be submitted **within 180 days** of the date the vacant unit is available for occupancy.

Special Claims for unpaid tenant rent, tenant damages and vacancy loss tenant information **must be in TRACS**.

We have provided a checklist for vacancy, unpaid rent and damages. This checklist contains all required documents that must be submitted before the special claims can be reviewed. You may attach the checklist with your special claims to ensure that you have included all required forms including HUD form 52670-A part 2, 52671-A and/or 52671-C. All forms must be completed and signed.

No claim can be approved if the appropriate security deposit is not collected, in accordance with your subsidy contract.

Documentation now required to obtain a vacancy loss includes (1) copy of the reconditioning unit log or other maintenance records showing the move-out date, start and finish of each process, date the unit was ready for occupancy, and the date the unit was re-rented if applicable, (2) Documentation of the status of waiting list and outcome of applicant contacts, (3) If the tenant is a unit transfer, documentation

stating the reason for the transfer to another unit and evidence that the security deposit was transferred or a new security deposit was secured. Owners/agents may apply security deposits to vacancy claims only when the tenant fails to give proper notice as required under the HUD Approved lease. Total claims must be reduced by any amounts collected from any sources.

For unpaid rent and damage claims owners/agents must include (1) Certified letter to tenant detailing the unpaid rent and other charges, the disposition of the security deposit, a demand for payment, and a notice to the tenant that failure to pay the sums due will result in the owner/agent hiring a collection agency to collect the debt. (2) Documentation that the appropriate security deposit was collected from the tenant. A copy of the original lease will show the amount of the security deposit collected at move-in. To document that the correct amount was collected, the owner must submit a copy of the signed 50059 facsimile completed at move-in. (3) Documentation that the matter was turned over to a collection agency for collection. (4) The collection agency has attempted to collect the debt (i.e., a copy of the agency's first demand letter. (5) All supporting documentation such as copies of invoices, in-house cost schedules, move-in and move out inspection reports to substantiate this action is required at the submission of each claim and retained in the project file for (3) years after the date the claim is allowed or denied.

Instructions detailing the above can be found in the HUD Handbook 4350.3 Chapter 9, paragraph 9-14 General Guidelines for Processing Special Claims.

If you have any questions please contact me at 515-242-0216

Enclosures:
IFA Checklist

Iowa Finance Authority

Special Claims Checklist

Checklist for Vacancy Claims

- ___ Checklist for Vacancy Forms
- ___ HUD Form 52670A, Part 2 A- signed and completed
- ___ HUD Form 52671-C signed and completed
- ___ Copy of Security Deposit transmittal letter
- ___ If Unit Transfer (documentation stating the reason for the transfer and evidence the security deposit was transferred, or a new security deposit was secured.
- ___ Documentation of the status of waiting list and outcome of applicant contacts.
- ___ Copy of the reconditioning unit log or other maintenance record showing the move-out date, start and finish of each process, date the unit was ready for occupancy, and the date the unit was re-rented.

Checklist for Unpaid Rent/Damages

- ___ Checklist for Unpaid Rent/Damages
- ___ HUD Form 52671A signed and showing the calculation amount.
- ___ Certified letter to tenant detailing the unpaid rent/damages, the disposition of the security deposit, a demand for payment, and notice to tenant that failure to pay will result in owner/agent hiring a collection agency to collect debt.
- ___ Documentation that the matter was turned over to a collection agency.
- ___ Documentation that collection agency has attempted to collect the debt, such as a copy of the agencies first demand letter.
- ___ Documentation that the appropriate security deposit was collected from the tenant. A copy of the original lease will show the amount of the security collected at move-in. To document the correct amount was collected, the owner must submit a copy of the signed 50059 facsimile completed at move-in.
- ___ Move-in and move-out inspections (applies only if submitting damages)
- ___ Bids or in-house cost schedule (applies only if submitting damages)
- ___ Copies of invoices for repair (applies only if submitting damages)